

B. Primary Provisions Required

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	<u>CIARDS</u>	<u>CIVIL SERVICE</u>
1. Optional Retirement Eligibility	Age 50 w/20 Service (Non-Reduced Benefit)	<ul style="list-style-type: none"> ° Age 55 w/30 years service ° Age 60 w/20 years service ° Age 62 w/5 years service (Non-Reduced Benefit)
2. Accrual	<ul style="list-style-type: none"> ° 2 1/2% for qualifying years of serv ° Current CIARDS formula (2%) for all other years of service (Non-Reduced Benefit) 	<ul style="list-style-type: none"> ° 2 1/2% for qualifying years of service ° Current CSRS formula (1.5%, 1.75% etc.) for all other years of service (Non-Reduced Benefit)
3. COLA	2/3 Indexing**	2/3 Indexing**
4. Mandatory Retirement	<ul style="list-style-type: none"> ° Age 60 ° Age 65-SIS 4 and above 	None
5. Involuntary Retirement	<ul style="list-style-type: none"> ° Any age w/25 years service ° Age 50 w/20 years service (Non-Reduced Benefits) 	<ul style="list-style-type: none"> ° Any age w/25 years service ° Age 50 w/20 years service (Benefits Reduced 2% for each Year Under Age 55)
6. Annuity	High-5 Average Salary**	High-5 Average Salary**
7. Employee Contributions	<u>Pre-1984</u> <u>CIARDS & CIVIL</u> <ul style="list-style-type: none"> ° Basic 9%** ° Soc Sec --- ° VCAP (CHART PLAN) Voluntary 	<u>Post 1983</u> <u>CIARDS & CIVIL SERVICE**</u> <ul style="list-style-type: none"> 3.3% 5.7%* <p>← Voluntary (Up to 15% of basic pay Government matches \$.50 for \$1. up to 6% of basic pay)</p>

CIARDS

CIVIL SERVICE

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| 8. Disability | <ul style="list-style-type: none"> ◦ Eligible after 5 yrs of service. Retirees under age 60 w/less than 20 yrs will have current annuity computed on assumption that he/she had 20 yrs service but additional credit shall in no case exceed the difference between his/her age at time of retirement and age 60. Employees also eligible for Social Sec. disability benefits must make election as to source of benefits | <p>Eligible after 5 years of service. Guaranteed minimum of lesser of 40% of High-5 salary or computed annuity to projected age 60.</p> <p>Post-1983 employees also eligible for Social Security disability benefits must make election as to source of benefits.</p> |
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| 9. Death Benefits (annuity to surviving spouse and children) | <ul style="list-style-type: none"> ◦ Eligible after 18 mos. of service. ◦ Post-1983 employee survivors also eligible for Social Security survivor benefits must make election as to source of benefits. |
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| 10. Est. Cost to Government | 34% (current aggregate cost of CSRS/CIARDS is 40% of payroll) |
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* Once S.S. maximum contribution reached in a year (in 1985 5.7% of first \$39,600 basic pay) 5.7% of amounts over SIS maximum base go to basic plan.

** Assumes similar ~~reductions in benefits~~ ^{ADJUSTMENTS} are implemented for all of Government.

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 "(b) Section 3 of the Federal Physicians Comparability Allowance Act of 1978 (5 U.S.C. 5948 note) is amended by striking out 'September 30, 1985' and inserting in lieu thereof 'September 30, 1989'.

"PAY OF CERTAIN FEDERAL PHYSICIANS FOR FISCAL YEAR 1982

"Sec. 103. (a) Any individual whose aggregate pay for fiscal year 1982 exceeded the limitation set forth in section 5383(b) of title 5, United States Code, is relieved of all liability to the United States for any amounts paid to such individual in excess of such limitation if, and to the extent that, such liability takes into account any allowance paid under section 5948 of such title.

"(b)(1) The appropriate agency head shall pay, out of any appropriation or fund available to pay allowances under section 5948 of title 5, United States Code, to any individual as to whom liability is relieved under subsection (a), an amount equal to the aggregate of any amounts paid by such individual, or withheld from sums otherwise due such individual, with respect to any liability relieved under such subsection.

"(2) A payment under paragraph (1)—

"(A) shall be made only if written application therefor is submitted to the appropriate agency head, in accordance with such regulations as the President or his designee may prescribe, within two years after the date of enactment of this Act; and

"(B) shall not be considered for purposes of applying the limitation set forth in section 5383(b) of title 5, United States Code.

"(c) For the purpose of this section—

"(1) the term 'aggregate pay', as used with respect to an individual, means the aggregate amount paid to such individual under sections 4507, 5382, 5384, and 5948 of title 5, United States Code;

"(2) the term 'appropriate agency head', as used with respect to an individual, means the head of the agency employing such individual when such individual was paid an allowance with respect to which liability is relieved under this subsection; and

"(3) the term 'agency' has the meaning given such term by section 5984(g)(2) of such title.

"TITLE II—FEDERAL EMPLOYEES RETIREMENT ADJUSTMENT

"SHORT TITLE

"Sec. 201. This title may be cited as the 'Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983'.

"STATEMENT OF POLICY

"Sec. 202. It is the policy of the Government—

"(1) that the amount required to be contributed to certain public retirement systems by employees and officers of the Government who are also required to pay employment taxes relating to benefits under title II of the Social Security Act for service performed after December 31, 1983, be modified until the date in which such employees and officers are covered by a new Government retirement system

of which have not been determined on the date of enactment of this Act) or January 1, 1986, whichever is earlier;

"(2) that the Treasury be required to pay into such retirement systems the remainder of the amount such employees and officers would have contributed during such period but for the temporary modification;

"(3) that the employing agencies make contributions to the retirement systems with respect to such service in amounts required by law in effect before January 1, 1984, without reduction in such amounts;

"(4) that such employees and officers accrue credit for service for the purposes of the public retirement systems in effect on the date of enactment of this Act until a new Government retirement system covering such employees and officers is established;

"(5) that, where appropriate, deposits to the credit of such a retirement system be required with respect to service performed by an employee or officer of the Government during the period described in clause (1) and, where appropriate, annuities be offset by the amount of certain Social Security benefits attributable to such service; and

"(6) that such employees and officers who are first employed in civilian service by the Government or first take office in civilian service in the Government on or after January 1, 1984, become subject to such new Government retirement system as may be established for employees and officers of the Government on or after January 1, 1984, and before January 1, 1986, with credit for service performed after December 31, 1983, by such employees and officers transferred to such new Government retirement system.

"DEFINITIONS

"Sec. 203. (a) For the purposes of this title—

"(1) the term 'covered employee' means any individual whose service is covered service;

"(2) the term 'covered retirement system' means—

"(A) the Civil Service Retirement and Disability System under subchapter III of chapter 83 of title 5, United States Code;

"(B) the Foreign Service Retirement and Disability System under chapter 8 of the Foreign Service Act of 1980 (22 U.S.C. 4041 et seq.);

"(C) the Central Intelligence Agency Retirement and Disability System under the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (50 U.S.C. 403 note); and

"(D) any other retirement system (other than a new Government retirement system) under which a covered employee who is a participant in the system is required to make contributions to the system in an amount equal to a portion of the participant's basic pay for covered service, as determined by the President;

"(3) the term 'covered service' means service which is employment for the purposes of title II of the Social Security Act and

chapter 21 of the Internal Revenue Code of 1954 by reason of the amendments made by section 101 of the Social Security Amendments of 1983 (97 Stat. 67); and

"(4) the term 'new Government retirement system' means any retirement system which (A) is established for officers or employees of the Government by or pursuant to a law enacted after December 31, 1983, and before January 1, 1986, and (B) takes effect on or before January 1, 1986.

"(b) The President shall publish the determinations made for the purpose of subsection (a)(2)(D) in an Executive order.

"CONTRIBUTION ADJUSTMENTS

"SEC. 204. (a) In the case of a covered employee who is participating in a covered retirement system, an employing agency shall deduct and withhold only 1.9 percent of the basic pay of such employee under—

"(1) section 8334 of title 5, United States Code;

"(2) section 805 of the Foreign Service Act of 1980 (22 U.S.C. 4045);

"(3) section 211 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (50 U.S.C. 403 note); or

"(4) any provision of any other covered retirement system which requires a participant in the system to make contributions of a portion of the basic pay of the participant, for covered service which is performed after December 31, 1983, and before the earlier of the effective date of a new Government retirement system or January 1, 1986. Deductions shall be made and withheld as provided by such provisions in the case of covered service which is performed on or after such effective date or January 1, 1986, as the case may be, and is not subject to a new Government retirement system.

"(b) Employing agencies of the Government shall make contributions with respect to service to which subsection (a) of this section applies under the second sentence of section 8334(a)(1) of title 5, United States Code, the second sentence of section 805(a) of the Foreign Service Act of 1980 (22 U.S.C. 4045(a)), the second sentence of section 211(a) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (50 U.S.C. 403 note), and any provision of any other covered retirement system requiring a contribution by the employing agency, as if subsection (a) of this section had not been enacted.

"REIMBURSEMENT FOR CONTRIBUTION DEFICIENCY

"SEC. 205. (a) For purposes of this section—

"(1) the term 'contribution deficiency', when used with respect to a covered retirement system, means the excess of—

"(A) the total amount which, but for section 204(a) of this Act, would have been deducted and withheld under a provision referred to in such section from the pay of covered employees participating in such retirement system for service to which such section applies, over

"(B) the total amount which was deducted and withheld from the pay of covered employees for such service provided in section 204(a) of this Act; and

"(2) the term 'appropriate agency head' means—

"(A) the Director of the Office of Personnel Management with respect to the Civil Service Retirement and Disability System under subchapter III of chapter 83 of title 5, United States Code;

"(B) the Secretary of State, with respect to the Service Retirement and Disability System under chapter 4 of the Foreign Service Retirement Act of 1980 (22 U.S.C. et seq.);

"(C) the Director of Central Intelligence, with respect to the Central Intelligence Agency Retirement and Disability System under the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (50 U.S.C. 403 note);

"(D) the officer designated by the President for that purpose in the case of any retirement system described in section 203(a)(2)(D) of this Act.

"(b) At the end of each of fiscal years 1984, 1985, and 1986, the appropriate agency head—

"(1) shall determine the amount of the contribution deficiency for such fiscal year in the case of each covered retirement system, including the interest that those contributions have earned had they been credited to the fund establishing the payment of benefits under such retirement system in the same manner and at the same time as deductions under any applicable provision of law referred to in section 204(a) of this Act; and

"(2) shall notify the Secretary of the Treasury of the amount of the contribution deficiency in each such case.

"(c) Before closing the accounts for each of fiscal years 1984 and 1986, the Secretary of the Treasury shall credit to the fund established for the payment of benefits under each covered retirement system, as a Government contribution, out of any money in the Treasury not otherwise appropriated, an amount equal to the amount determined under subsection (b) with respect to that retirement system for the fiscal year involved.

"(d) Amounts credited to a fund under subsection (c) shall be counted for separately than amounts credited to such fund under any other provision of law.

"SPECIAL DEPOSIT AND OFFSET RULES RELATING TO RETIREMENT BENEFITS FOR INTERIM COVERED SERVICE

"SEC. 206. (a) For the purposes of this section, the term 'covered service' means covered service to which section 204(a) of this Act applies.

"(b)(1) Paragraphs (2) and (3) apply according to the provisions thereof only with respect to a covered employee who is employed by the Government on December 31, 1983.

"(2)(A) Notwithstanding any other provision of law, the covered service of such covered employee shall be considered—

"(i) in determining entitlement to and computing the amount of an annuity (other than a disability or survivor annuity) commencing under a covered retirement system during the period beginning January 1, 1984, and ending on the earlier of the date a new Government retirement system takes effect on January 1, 1986, by reason of the retirement of such covered employee during such period only if such covered employee makes a deposit to the credit of such covered retirement system for such covered service in an amount computed as provided in subsection (f); and

"(ii) in computing a disability or survivor annuity which commences under a covered retirement system during such period and is based in any part on such interim covered service.

"(B) Notwithstanding any other provision of law, an annuity to which subparagraph (A)(ii) applies shall be reduced by the portion of the amount of any benefits which is payable under title II of the Social Security Act and is attributable to the interim covered service considered in computing the amount of such annuity, as determined under subsection (g), unless, in the case of a survivor annuity, a covered employee has made a deposit with respect to such covered service for the purposes of subparagraph (A)(i) before the date on which payment of such annuity commences.

"(3) Notwithstanding any other provision of law, if a new Government retirement system is not established or is inapplicable to such a covered employee who retires or dies subject to a covered retirement system after the date on which such new Government retirement system takes effect, the interim covered service of such covered employee shall be considered in determining entitlement to and computing the amount of an annuity under a covered retirement system based on the service of such covered employee only if such covered employee makes a deposit to the credit of such covered retirement system for such covered service in an amount computed as provided in subsection (f).

"(c)(1) Paragraphs (2) and (3) apply according to the provisions thereof only with respect to a covered employee who was not employed by the Government on December 31, 1983.

"(2) Notwithstanding any other provision of law, any annuity which commences under a covered retirement system during the period described in subsection (b)(2)(A)(i) and is based, in any part, on interim covered service shall be reduced by the portion of the amount of any benefits which is payable under title II of the Social Security Act to the annuitant and is attributable to such service, as determined under subsection (g).

"(3) Notwithstanding any other provision of law, if a new Government retirement system is not established, the interim covered service of such a covered employee who retires or dies after January 1, 1986, shall be considered in determining entitlement to and computing the amount of an annuity under a covered retirement system based on the service of such covered employee only if such covered employee makes a deposit to the credit of such covered retirement system for such covered service in an amount computed as provided in subsection (f).

"(d) If a covered employee with respect to whom subsection (b)(3) applies dies without having made a deposit pursuant to

such subsection, any individual who is entitled to an annuity under a covered retirement system based on the service of such covered employee or who would be entitled to such an annuity if such deposit had been made by the covered employee before death may make such deposit after the date of death of such covered employee. Service covered by a deposit made pursuant to the first sentence shall be considered in determining, in the case of each individual to whom the first sentence applies, the entitlement to and the amount of an annuity under a covered retirement system based on the service of such covered employee.

"(e) A reduction in annuity under subsection (b)(2)(B) or (c)(2) shall commence on the first day of the first month after the date on which payment of benefits under title II of the Social Security Act commences and shall be redetermined each time an increase in such benefits takes effect pursuant to section 215(i) of the Social Security Act. In the case of an annuity of a participant or former participant in a covered retirement system, of a surviving spouse or child of such participant or former participant, or of any other person designated by such participant or former participant to receive an annuity, under a covered retirement system (other than a former spouse), the reduction in annuity under subsection (b)(2)(B) or (c)(2) shall be calculated before any reduction in such annuity provided under such system for the purpose of paying an annuity under such system to any former spouse of such participant or former participant on the service of such participant or former participant.

"(f) For the purposes of subsection (b) or (c), the amount of a deposit to the credit of the applicable covered retirement system shall be equal to the excess of—

"(1) the total amount which would have been deducted and withheld from the basic pay of the covered employee for the interim covered service under such covered retirement system but for the application of section 204(a), over

"(2) the amount which was deducted and withheld from such basic pay for such interim covered service pursuant to section 204(a) and was not refunded to such covered employee.

"(g) For the purpose of subsections (b)(2)(B) and (c)(2), the portion of the amount of the benefits which is payable under title II of the Social Security Act to an individual and is attributable to interim covered service shall be determined by—

"(1) computing the amount of such benefits including credit for such service;

"(2) computing the amount of such benefits, if any, without including credit for such service; and

"(3) subtracting the amount computed under clause (2) from the amount computed under clause (1).

"(h) The Secretary of Health and Human Services shall furnish to the appropriate agency head (as defined in section 205(a)(2)) such information as such agency head considers necessary to carry out this section.

"TRANSFER OF CREDIT TO NEW RETIREMENT SYSTEM

"SEC. 207. (a) Any covered employee who first becomes employed in civilian service by the Government or first takes office in civilian

service in the Government on or after January 1, 1984, shall become subject to such new Government retirement system as may be established.

"(b) In the case of any covered employee who is subject to a covered retirement system on or after January 1, 1984, and thereafter becomes subject to a new Government retirement system—

"(1) credit for the service of such employee to which section 204(a) applies shall be transferred from such covered retirement system to the new Government retirement system for the purposes of the new Government retirement system; and

"(2) such service shall be considered not to be creditable service for the purposes of such covered retirement system, effective on the date on which such employee becomes subject to such new Government retirement system.

"ELECTIONS BY CERTAIN COVERED EMPLOYEES

"SEC. 208. (a) Any individual performing service of a type referred to in clause (i), (ii), (iii), or (iv) of section 210(a)(5) of the Social Security Act beginning on or before December 31, 1983, may—

"(1) if such individual is then currently a participant in a covered retirement system, elect by written application submitted before January 1, 1984—

"(A) to terminate participation in such system, effective after December 31, 1983; or

"(B) to remain under such system, as if the preceding sections of this Act and the amendments made by this Act had not been enacted; or

"(2) if such individual is then currently not a participant in a covered retirement system, elect by written application—

"(A) to become a participant under such system (if such individual is otherwise eligible to participate in the system), subject to the preceding sections of this Act and the amendments made by this Act; or

"(B) to become a participant under such system (if such individual is otherwise eligible to participate in the system), as if the preceding sections of this Act and the amendments made by this Act had not been enacted.

"(b) An application by an individual under subsection (a) shall be submitted to the official by whom such covered employee is paid.

"(c) Any individual who elects to terminate participation in a covered retirement system under subsection (a)(1)(A) is entitled to have such individual's contributions to the retirement system refunded, in accordance with applicable provisions of law, as if such individual had separated from service as of the effective date of the election.

"(d) Any individual who is eligible to make an election under subparagraph (A) or (B) of subsection (a)(1), but who does not make an election under either such subparagraph, shall be subject to the preceding sections of this Act and the amendments made by this Act.

"TITLE III—SENIOR EXECUTIVE SERVICE

"SEC. 301. (a) The Office of Personnel Management shall study within 12 months after the date of enactment of "

that the Senate agree to the same.

WILLIAM D. FORD,
MO UDALL,
MARY ROSE OAKAR,
GENE TAYLOR,
BENJAMIN A. GILMAN,
Managers on the Part of the Hou
TED STEVENS,
CHARLES MCC. MATHIAS, Jr.
JEFF BINGAMAN,
Managers on the Part of the Sen

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